



Flows

Water Infrastructure Finance Authority of Arizona Quarterly Newsletter

Community Spotlight:
Bullhead City Sewer (see Page 2)

Cash

May 2006

Volume 7, Number 1

Janet Napolitano
Governor

Stephen A. Owens
Chairman of the Board

Jay R. Spector
Executive Director

WIFA *Cash Flows*
Water Infrastructure
Finance Authority
of Arizona

1110 W. Washington St.,
Suite 290
Phoenix, AZ 85007
Toll free: (877) 298-0425
and (602) 364-1314

www.azwifa.gov

"Arizona's water and
wastewater funding
source."

WIFA Closes \$205 Million Revenue Bond Sale

Authority receives highest bond credit ratings

WIFA's closing of a \$205 million water quality revenue bond sale in March is among the largest bond closings in Arizona this year, according to *The Bond Buyer*, a public finance industry publication.

The announcement of the bond sale follows WIFA's recent receipt and

reaffirmation of the highest credit ratings possible from the three top Wall Street rating agencies: Fitch Ratings (Fitch): AAA; Moody's Investor Service (Moody's): Aaa; and Standard & Poor's (S&P): AAA.

(Continued on Page 3)

WIFA Chairman Owens Announces Authority Milestone

WIFA has issued over \$800 million in water and wastewater loans

Water Infrastructure Finance Authority of Arizona (WIFA) Chairman Steve Owens today announced that WIFA has reached an important milestone by providing over \$800 million in clean water and drinking water loan funds to communities and private water companies statewide.

"This is an incredible achievement for WIFA," said WIFA Chair Steve Owens, who is also the Director of the Arizona Department of Environmental Quality (ADEQ). "WIFA has become the premier water and wastewater financial institution in Arizona and nationally and is helping communities throughout the state with their water infrastructure needs."

WIFA administers the Clean Water State

(Continued on Page 3)

WIFA's Low-Interest Funds Bring Bullhead City Sewer Project Near Completion

[Story on page 2]



Fri. March, 24, 2006: Governor Janet Napolitano and WIFA Executive Director Jay Spector present \$31.2 Million loan check to bullhead City Mayor Diane Vick and Bullhead City staff.

WIFA's Low-Interest Funds Bring Bullhead City Sewer Project Near Completion

Governor Napolitano presented a \$31.2 million loan check to Bullhead City Mayor Diane Vick and members of the City Council at the Bullhead City Chamber of Commerce's Third Annual Governor's Luncheon on March 24, 2006. The loan will be used by the City to complete Sewer Improvement System #3. This is the final significant phase of the city's sewer system expansion.

"By utilizing WIFA loan funds, Bullhead City residents will save an estimated \$7.6 million in interest and fees over traditional capital market financing," said Governor Napolitano. "The beauty of WIFA's loan program is that it provides communities like Bullhead City with low-cost financial assistance to address their infrastructure needs."

WIFA funds will be used to decommission 2,645 septic tanks and bring 3,619 properties onto the sewer system. Bullhead City began moving its residents from septic tanks to the new sewer system in 1991.

"We are very pleased to continue to work with Bullhead City to complete its sewer expansion project," said Chairman Owens, who is also Director of the Department of Environmental Quality. "This loan helps Bullhead City continue to address their wastewater treatment needs in a way that protects both precious groundwater and the Colorado River, and helps ensure that

water infrastructure needed to accommodate its rapid growth."

The existing wastewater treatment plant that is connected to the sewer system was expanded in 2005 to handle 5.6 MGD, and the effluent is used for irrigation of parks and golf

"By utilizing WIFA loan funds, Bullhead City residents will save an estimated \$7.6 million in interest and fees over traditional capital market financing."

Governor Napolitano

courses.

This is Bullhead City's third WIFA loan. WIFA awarded the City \$11.6 million in loan funds for Sewer Improvement District #2 in 2003. For Sewer Improvement District #1, WIFA awarded \$22.3 million in loan funds in 1998.

WIFA recognized the City's excellence in completing Sewer



WIFA Chairman Steve Owens presents "Best Overall Financial Assistance" award to Bullhead City Mayor Diane Vick and Bullhead City Council Members on January 13th in the Bullhead City Council Chambers.

Improvement District #2 in January when Chairman Owens and Executive Director Jay Spector presented Mayor Vick with a WIFA, the City Council and town staff with a WIFA Project of the Year award.

"The City recognizes the that large concentrations of septic tanks can lead to contamination of our precious groundwater supplies, as well as threaten water quality in the Colorado River," said Owens. "By connecting properties to the City's sewer system, Bullhead City not only is protecting water resources, it is providing the infrastructure to support future growth and development in the community."

The WIFA Project of the Year awards are given to outstanding WIFA funded projects as demonstrated by their performance in resolving water quality issues, securing public support and cooperative funding efforts. The WIFA Project of the Year awards are selected by the WIFA Board of Directors and are awarded each calendar year funding cycle. *CF*

The Quarter Ahead

May 17, 2006

Public hearing for the review and final comments on WIFA's 2007 Technical Assistance Intended Use Plan and Project Priority List in Room 145 located in the ADEQ building at 1110 W. Washington Street, Phoenix

June 7, 2006

Committee Meetings in WIFA conference room located in the ADEQ building

June 21, 2006

Board Meeting, location TBD

June 31, 2006

2006 Technical Assistance Funding Cycle Ends

July 1, 2006

2007 Technical Assistance Funding Cycle Begins

Quarterly Loans Closed

Recent loan closings:

DWRF Loans:

City of El Mirage \$16,553,384
City of Tucson \$4,000,000
Water Utilities of Greater Buckeye, Inc. \$175,251
Water Utilities of Greater Tonopah, Inc. \$115,876

CWRF Loans:

City of El Mirage \$1,108,911
City of Bullhead City \$31,272,000
City of Tucson \$5,400,000
Mt. Glen Water Company \$186,993

WIFA Update: New Staff



Esmeralda Martinez joined WIFA in January as WIFA's Administrative Secretary. Previously, she spent four years at the Maricopa County Superior Court as the Court Information Processor. Esmeralda also spent two years prior as a Bailiff for a family court judge in the county.

Judy Navarrete became WIFA's Chief Financial Officer in February after eleven years of service to the Arizona Department of Environmental Quality (ADEQ). At ADEQ, Judy most recently, managed the brownfields and recycling programs and previously managed the State Assurances Fund. She holds a Bachelor of General Studies in business administration from Northern Arizona University and a Certification in Public Management from Arizona State University.



Laurie Tsosie, WIFA's Environmental Coordinator, joined the staff in March. She was previously employed at the Arizona Department of Transportation. Laurie has years of experience in legal services with tribal governments and state governments. In those capacities, she worked with several federal agencies. Laurie holds a Bachelor of Political Science from Arizona State University and a Master of Environmental Law and Policy from Vermont Law School.

WIFA Closes \$205 Million Revenue Bond Sale

Continued from Page 1

The bond sale is great news for WIFA and for the State of Arizona. WIFA's ability to borrow money at the best rates enables WIFA to pass on significant savings to communities and drinking water systems throughout the state.

The Authority sold over \$205 million in water quality revenue bonds.

The market was exceptionally favorable to our state in this deal. WIFA estimates that nearly \$175 million in interest rate savings have been realized to date through WIFA's loan

programs, and this bond sale ensures that we will be able to continue to meet Arizona's water infrastructure needs.

WIFA manages a growing portfolio of nearly \$800 million in loans and \$575 million in bonds and more than 175 wastewater and drinking water construction projects have been funded by WIFA throughout Arizona. *CF*

WIFA Chairman Owens Announces Authority Milestone Continued from Page 1

Revolving Loan Fund, Drinking Water State Revolving Loan Fund, and Technical Assistance Grant programs. WIFA's 169 borrowers receive low-interest loan funds made possible through federal grants and WIFA's revolving loan funds.

WIFA conservatively estimates that it has saved rate/tax payers over \$175 million in interest and fees since the authority and its predecessor agency began providing loans in the early 1990's.

"Our achievements are evidence of WIFA's sound management and fiscal policies as well as its strong performance as a low-interest source of funds for Arizona's communities," said Executive Director Jay R. Spector.

One challenge WIFA faces is in the distribution of the Federal Clean Water State Revolving Fund state appropriation.

The revolving fund allocation formula is based on 1970s population figures and infrastructure needs and has not been updated to reflect Arizona's recent infrastructure needs and tremendous population growth.

Moreover, the U.S. Congress has reduced funding by at least 50% percent for Arizona's clean water revolving fund loan program annually since 2004.

WIFA conservatively estimates that Arizona's federal capitalization grant should be around \$45 million per year based on the state's infrastructure needs and rapid population growth. EPA's most recent Clean Water Needs Survey, which is conducted every four years in all 50 states and territories, estimated that Arizona has over \$6.3 billion in clean water infrastructure needs over the next 20 years. *CF*

ABOUT THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA



The Water Infrastructure Finance Authority of Arizona maintains and improves water quality in Arizona by providing communities and private water systems with access to low-interest financial assistance and technical assistance needed for basic water infrastructure. WIFA's funds are capitalized by contributions from the US Congress and the state of Arizona. As a leader in water infrastructure finance, WIFA has become a premier financial institution both in Arizona and nationally.

Visit: www.azwifa.gov